

Senate Study Bill 3062 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON MCCOY)

A BILL FOR

1 An Act relating to surety bond requirements for fire
2 extinguishing system and alarm system contractors and fire
3 protection system installers and maintenance workers.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 100C.3, subsection 1, paragraph b, Code
2 2011, is amended to read as follows:

3 b. Proof of insurance and surety bond coverage required by
4 section 100C.4.

5 Sec. 2. Section 100C.4, Code 2011, is amended to read as
6 follows:

7 **100C.4 Insurance and surety bond.**

8 1. A fire extinguishing system contractor shall maintain
9 general and complete operations liability insurance and
10 surety bond for the layout, installation, repair, alteration,
11 addition, maintenance, and inspection of automatic fire
12 extinguishing systems in an amount determined by the state fire
13 marshal by rule.

14 2. An alarm system contractor shall maintain general
15 and complete operations liability insurance and surety bond
16 for the layout, installation, repair, alteration, addition,
17 maintenance, and inspection of alarm systems in an amount
18 determined by the state fire marshal by rule.

19 3. The insurance and surety bond shall be written by
20 an entity licensed to do business in this state and each
21 contractor shall maintain on file with the department of public
22 safety a certificate evidencing the insurance providing that
23 the insurance or surety bond shall not be canceled without the
24 entity first giving fifteen days' written notice to the state
25 fire marshal.

26 Sec. 3. Section 100D.4, Code 2011, is amended to read as
27 follows:

28 **100D.4 Insurance and ~~surety bond~~ requirements.**

29 1. An applicant for a fire protection system installer and
30 maintenance worker license or renewal of an active license
31 shall provide evidence of a public liability insurance policy
32 ~~and surety bond~~ in an amount determined sufficient by the fire
33 marshal by rule.

34 2. If the applicant is engaged in fire protection system
35 installer and maintenance worker work individually through a

1 business conducted as a sole proprietorship, the applicant
2 shall personally obtain the insurance ~~and surety bond~~ required
3 by this section. If the applicant is engaged in the fire
4 protection system installer and maintenance worker business as
5 an employee or owner of a legal entity, then the insurance ~~and~~
6 ~~surety bond~~ required by this section shall be obtained by the
7 entity and shall cover all fire protection system installer and
8 maintenance worker work performed by the entity.

9 3. The insurance ~~and surety bond~~ shall be written by an
10 entity licensed to do business in this state and each licensee
11 shall maintain on file with the department a certificate
12 evidencing the insurance providing that the insurance ~~or surety~~
13 ~~bond~~ shall not be canceled without the entity first giving
14 fifteen ~~days~~ days written notice to the fire marshal.

15 EXPLANATION

16 This bill requires surety bonds for fire extinguishing
17 system and alarm system contractors. Those contractors are
18 currently required to maintain operations liability insurance.

19 The bill also removes a current surety bond requirement for
20 fire protection system installers and maintenance workers.